

Exhibit No. 2Date 3-7-07Bill No. Glendive Armory  
Transfer hearing**Process and Criteria for Consultation on Land Transfers  
Issue Summary March 7<sup>th</sup> 2007****Prepared for the State Administration Legislative Council  
By****Candace Durran, Real Estate Section Supervisor  
DNRC Trust Land Management Division****Introduction**

§77-2-302, MCA, and §77-2-351, MCA, authorizes the Board of Land Commissioners to dispose of, sell, or exchange certain state lands after consultation with the appropriate legislative committee. Since 1996, review of proposed transfers has appeared on the Council agenda on a number of occasions.

**Process**

Both sections provide that it is the Land Board that consults with the appropriate legislative committee. The Council should consult on land transfers on referral from the Land Board. The Council should authorize the chairman to set a consultation on the agenda when the Land Board presents a timely request with documentation meeting the adopted criteria as provided in the "summary" section of this document.

Following the consultation, the Council should adopt a motion to the effect that consultation, required by either §77-2-302, MCA, or §77-2-351, MCA, as appropriate for the subject proposal, has occurred. Should the Council have recommendations or concerns for the Board to consider, they may be added. There is no need to state an opinion since there is no authority to approve or reject a proposal.

**March 7, 2007 Testimony: Proposed §77-2-351 property transfer between the Department of Military Affairs and Dawson County**

On behalf of the Montana Department of Military Affairs (DMA), DNRC presents a proposal to transfer fee title of a parcel of land and associated improvements from DMA to Dawson County under provisions of § 77-2-351 MCA. The County would like to acquire the former armory property to be used for a Road Shop and county offices. (See attached map for location)

**Benefit to the State-** The National Guard Armory facility is presently not in use and DMA has no future use for the property. The State receives no revenue from the property. The use of the building for county services would be a benefit to Dawson County, Montana.

**Summary**

**Criteria:** §77-2-351, MCA – Transfer of property to a public entity.

1. What lands are involved?

- a. Provide an accurate description of the property involved including legal description and acreage involved.

**The 1.61 acre property is located in Township 16 N, Range 55 E, Section 24: M&B Tract in NE4NE4, Lot 1. The property is located at the Dawson County Fairgrounds in Glendive, Montana. The property lies within the Dawson County Fairgrounds and is adjacent to other county lands and facilities.**

b. Location Map Attached

2. Are there restrictions on the transfer?

- a. Provide an affidavit documenting whether the land is or is not granted to or held by the State in trust for the support of the common schools, for a state institution, or for another specific purpose.

**The affected DMA property is non-trust state property. (The Affidavit of Ownership is attached.)**

- b. Provide an affidavit indicating any known restrictions on the transfer or stating that there are none.

**The State has a financial liability to the Federal government if the DMA does not continue use of the property. DMA will also incur a financial cost to complete an Environmental Assessment. Dawson County has agreed to pay all costs associated with the transfer of this property.**

3. Are the terms of the proposed transfer in the best interest of the state?

- a. Document the proposed terms of the transfer and any alternative terms that may have been considered.

**DMA will grant the property and all improvements to Dawson County to be used for a public purpose. No alternative terms have been considered.**

- b. If the transfer involves a binding commitment to use the property to provide a community service or a benefit that fulfills a public purpose, provide documentation showing the details of the commitment.

**A transfer to a county government meets the requirement of §77-2-351, MCA, in that it provides for a community service or a benefit that fulfills a public purpose. The property will be used for a county shop and county offices. If the property ceases to be used for this purpose, title will revert back to the state.**

- c. Document that the transferee is a "public entity" as that term is used in §77-2-351, MCA.

**A county government is a public entity as provided in §77-2-351, MCA.**

4. Is the manner of the transfer in accordance with public policy?

- a. Document the proposed manner of the transfer including plans for the required 60-day notice period.

**A public notice of the proposal was published will be published in the local newspaper of the general circulation in the area and the public will be given an opportunity for comment.**